

# PRE-RETIREMENT CATCH-UP FORM — 457 DEFERRED COMPENSATION PLANS

Use the enclosed form to declare your Normal Retirement Age (NRA) and initiate pre-retirement catch-up contributions to your current employer's 457 deferred compensation plan. We encourage you to read the instructions prior to submitting your request.

#### **457 Plan Catch-Up Provisions**

1. Pre-Retirement Catch-Up – Allows eligible participants to contribute an additional amount over the regular deferral limit in effect for the year (up to double the regular limit), to make up for years in which they did not contribute the maximum amount they were eligible to contribute under their current employer's plan.

In order to take advantage of the pre-retirement catchup contribution provision, you will need to complete the enclosed *Pre-Retirement Catch-Up Form*, and submit the completed form to your employer.

**2. Age 50 Catch-Up** – Allows participants who attain age 50 (or older) during the year to contribute an additional amount over the regular deferral limit in effect for the year.

If you would like to begin taking advantage of the age 50 catch-up contribution provision, please complete the 457 Deferred Compensation Plan Amount of Deferral Change Form, available online at www.icmarc.org/forms, and submit the completed form to your employer.

Please note that the "Age 50" and "Pre-Retirement" catch-up provisions may not both be used in the same calendar year.

#### **FORM INSTRUCTIONS**

The information in this section is intended to help you complete the *Pre-Retirement Catch-Up Form* in its entirety. Please carefully complete all sections of the form and submit the completed form to your employer.

**Section 1: Participant Information –** Provide all of the requested information.

**Section 2: Declaration of Normal Retirement Age** (NRA) – You will be eligible to make pre-retirement catch-up contributions in the three years immediately preceding the year when you attain your declared NRA. For example, if you declare age 65 as your NRA and you will attain that age in the year 2016, you will be eligible to make pre-retirement catch-up contributions in 2013, 2014 and 2015.

**Section 3: Contribution Amount –** Use this section to specify the percentage and/or dollar amounts you will contribute to the plan. You can change your contribution amount at any time. Your initial contribution election, and any future changes, will be effective as of the first pay period of the calendar month following the date you submit the completed form to your employer.

**Roth Deferrals** – If offered by your plan, you can designate a portion (or all) of your contributions as Roth, which are made on an after-tax basis. These contributions, and associated earnings, can later be withdrawn tax free if the requirements for a qualified distribution are met.

**Section 4: Total Unused Deferrals –** Complete the *Unused Deferral Worksheet* on page 3, and enter your total unused deferral amount in this section. The amount of your pre-retirement catch-up contributions cannot exceed your total unused deferrals.

**Section 5: Participant Signature -** Please be sure to sign and date this section of the form.

**Section 6: Employer Authorization –** Your employer will need to sign the form to confirm that you are eligible to make pre-retirement catch-up contributions.

Submit the completed form to your employer.

#### **ADDITIONAL INFORMATION**

The information in this section is intended to provide you with more detailed information related to the pre-retirement catch-up provision.

#### **Eligibility - Pre-Retirement Catch-Up**

You are eligible to make pre-retirement catch-up contributions if all of the following are true:

- You are within three years of reaching the normal retirement age under the plan, which must be at least the age you are eligible to retire with unreduced retirement benefits from your employer's pension plan.
- 2. You are currently employed and participating in your employer's 457 deferred compensation plan.
- 3. You did not contribute the maximum amount you were eligible to contribute for one or more years since 1979.

#### Maximum Pre-Retirement Catch-Up Contribution Amount

The maximum annual total contribution is equal to double the normal deferral limit in effect for the year. You must have sufficient unused deferrals to contribute the maximum amount.

457 Plan Contribution Limit	2013	2012	
Annual Deferrals	\$17,500	\$17,000	
"Pre-Retirement" Catch-Up	\$17,500 (\$35,000 total)	\$17,000 (\$34,000 total)	
"Age 50" Catch-Up	<b>\$5,500</b> (\$23,000 total)	\$5,500 (\$22,500 total)	

\* After 2013, the annual deferral and catch-up limits will increase in \$500 increments to correspond with inflation rate increases (new limits are announced in October or November each year, and the limits will not necessarily increase every year). All contribution limits apply to the combination of pre-tax and Roth contributions.

#### **Declaration of Normal Retirement Age**

You can only make pre-retirement catch-up contributions in the three years immediately preceding the year of your declared normal retirement age. The year of your declared NRA can be any year during or after which you are eligible to receive unreduced benefits from your employer's pension plan (or a money purchase pension plan in which you also participate if you are not eligible to participate in a defined benefit plan), but cannot be later than the year that you attain age  $70\frac{1}{2}$ .

Unless an alternate NRA is specified by your employer, the ICMA-RC 457 plan uses age  $70\frac{1}{2}$  as your NRA.

## Your declaration of NRA is irrevocable once you begin making pre-retirement catch-up contributions.

#### **Qualified Police Officers and Firefighters**

Under a special rule, qualified police officers and firefighters<sup>†</sup> can designate a normal retirement age earlier than other plan participants, but not earlier than age 40.

This special rule is available to a "qualified police or firefighter" as defined under section 415(b)(2)(h)(ii)(l) of the Internal Revenue Code as a participant with "...at least 15 years of service...as a full time employee of any police or fire department which is organized by the State or political subdivision to provide police protection, firefighting services, or emergency medical services for any area within the jurisdiction of such State or political subdivision."

#### **IMPORTANT NOTES**

- You cannot make catch-up contributions in the year of your declared NRA.
- You are not required to make catch-up contributions in all three years leading up to the year of your declared NRA.
- You are not required to retire in the year of your declared NRA.
- The pre-retirement catch-up provision can only be used one time with your current employer.

**TOTAL UNUSED DEFERRALS** – The difference between the amount you were eligible to contribute to your current employer's plan since 1979 and the amount you actually contributed. Use the below worksheet to calculate your total unused deferrals.

- Enter the amount you contributed to your current employer's 457 plan for each year that you were eligible to participate in the plan.
- Subtract the amount of your actual contribution from the maximum amount you were eligible to contribute to the plan each year, and enter the amount in the "Unused Deferrals" column.
- Add the amounts entered in the "Unused Deferral" column for each year to calculate your total unused deferral amount.

Unused Deferral Worksheet						
Year	Maximum Contribution	Actual Contribution	Unused Deferrals (Maximum—Actual)			
2013	\$17,500					
2012	\$17,000					
2011	\$16,500					
2010	\$16,500					
2009	\$16,500					
2008	\$15,500					
2007	\$15,500					
2006	\$15,000					
2005	\$14,000					
2004	\$13,000					
2003	\$12,000					
2002	\$11,000					
2001	\$8,500					
2000	\$8,000					
1999	\$8,000					
1998 <sup>2</sup>	\$8,000					
Total						

The maximum contribution is the dollar amount shown above **or** 100% of your compensation for the year, **whichever is less**. Prior to 2002, the maximum percentage contribution was 25% of your gross compensation and your actual contribution amount must include any 401(k) contributions made during the year.

#### **EXAMPLE - Pre-Retirement Catch-Up**

John declared age 70, which he will attain in the year 2014, as his normal retirement age. He is eligible to make catch-up contributions in the three years immediately preceding the year of his NRA: 2013, 2012, and 2011.

#### Maximum Regular Contribution (2011–2013)

**\$51,000** = (\$16,500 + \$17,000 + \$17,500)

## Maximum Pre-Retirement Catch-Up Contribution (2011–2013)

**\$51,000** = (\$16,500 + \$17,000 + \$17,500)

#### Maximum Total Contribution (2011–2013)

\$102,000 = [\$51,000 (regular) + \$51,000 (catch-up)]

In order to make the maximum catch-up contribution of \$51,000, John must complete the Unused Deferral Worksheet and show that he has at least \$51,000 of unused deferrals for years when he was eligible to participate in his current employer's 457 plan.

- Even though John is eligible to make catch-up contributions totaling \$51,000 from 2011–2013, he is not required to do so. He might make catch-up contributions in 2011, and then his circumstances change and he ends up not making any catch-up contributions in 2012 or 2013. If so, he would still be eligible to take advantage of the "age 50" catch-up provision in future years but he would not be eligible to make pre-retirement catch-up contributions to this employer's plan at any point in the future.
- Even though John has declared age 70 as his NRA, he is not prohibited from retiring before (or after) the date when he attains age 70.

#### **Contact ICMA-RC**

If you have any questions or need help completing the form on the following page or the unused deferral worksheet on this page, please contact ICMA-RC's Investor Services at 800-669-7400.

<sup>&</sup>lt;sup>2</sup> Prior to 1998, the maximum contribution was \$7,500.



### PRE-RETIREMENT CATCH-UP FORM - 457 PLANS

- This form should be used to declare your normal retirement age and to initiate pre-retirement catch-up contributions to your current employer's 457 deferred compensation plan.
- Please read the instructions and carefully complete all sections of the form.

1	Employer Plan Number Employer Plan Name			Marital S	Marital Status		
Participant	3 0						
Information	Social Security Number	Date	of Birth	Married	Single		
	<b>-</b>		/ /		-		
	Full Name of Participant	mo	July July	ioui			
	Permanent Address:				MI		
	City Daytime Phone Number		State	Zip Code			
	( )	<del>-</del>					
2 Declaration	, ,	, which I will attain in the yea nt" catch-up provision. I understand tha	-	ıl Retirement Ag	e for the purpose		
of Normal Retirement Age (NRA)	This designation establishes the three-year period during which I am eligible to make pre-retirement catch-up contributions to my employer's 457 plan.						
3	This election is irrevocable	after I begin using the pre-retirement catch-up	provision.				
3 Contribution Amount	Specify the total percentage and/or dollar amounts you wish to contribute each pay period. Contributions will begin as soon as administratively possible following the month in which this form is signed.						
		% or \$					
	Roth* deferrals of% or \$ from my pay each pay period.						
	*NOT available in all plans. Please check with your employer to confirm that Roth deferrals are offered in your plan before selecting this option.						
4 Total Unused Deferrals	Total Unused Deferrals \$ Complete the Unused Deferral Worksheet contained in the instructions to calculate your total unused deferrals. The amount of your pre-retirement catch-up contributions (i.e., the amount above the normal annual deferral limit you contribute during the three-year catch-up period) cannot exceed the amount of your total unused deferrals.						
5 Participant Signature	By signing this form, I acknowledge that I have reviewed the form instructions and am aware that my declaration of normal retirement age is irrevoc once catch-up contributions begin.						
Jigilaroro	Employee Signature		Date				
6 Employer	By signing, the employer confirms that the participant's declaration of normal retirement age in Section 2 is valid.						
Authorization	Authorized Employer Offici	ial's Signature	Date				
	Authorized Employer Offici	ial's Name (Please Print)	Authorized Employer Officion	al's Title (Please	Print)		